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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Ms. MOORE of Wisconsin).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

I hereby appoint the Honorable GWEN MOORE to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 6, 2009, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 30 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes.

FISCAL RESPONSIBILITY

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia (Mr. CONNOLLY) for 5 minutes.

Mr. CONNOLLY of Virginia. Madam Speaker, the time for fiscal responsibility is now. Unfortunately, budget deficits are not a new phenomenon. We had budget deficits in 74 of the past 100 years. In fiscal year 1969, under Lyndon Johnson, we had a budget surplus of $3.2 billion. However, each of the next 28 budgets was in deficit. But starting in fiscal year 1998, under President Clinton, we had four straight budget surpluses, totalling more than $559 billion. In fact, the long term budget outlook predicted $5.6 trillion in surpluses. The last time we had four consecutive budget surpluses was in fiscal year 1930.

The Great Recession, which began in 2007, dramatically increased unemployment to a peak of 10.2 percent, a 26-year high. For those fortunate enough to remain employed, the recession led to depressed wages and benefits; growing at just 1.5 percent, the lowest level since 1982. As a result, families suffered and Federal income revenues declined precipitously. In 2009, corporate income revenue declined 55 percent, or $166 billion, from its 2007 level, and individual income revenues fell 20 percent, or $230 billion.

In addition to the tremendous toll this recession took on the American public, rising unemployment and stagnant wages added almost $400 billion to our debt. In fact, total Federal revenues, which historically have represented roughly 20 percent of our gross domestic product declined to 14.8 percent in 2009. Although the recession did not create budget deficits, it exacerbated their severity enormously.

In the face of this budgetary maelstrom, we took decisive action. Last year, the House of Representatives voted to reinstitute a statutory pay-as-you-go piece of legislation. In 1990, Congress enacted that statutory PAYGO rule, and required spending increases and revenue decreases to be offset so as not to increase the deficit. PAYGO was one of the critical tools used to control Federal spending and effectuate eventual budget surpluses.

Unfortunately, in 2002, a Republican Congress and a Republican President, President Bush, failed to reenact PAYGO, and allowed it to expire. The results were predictable and disastrous with respect to the Federal deficit. The expiration of PAYGO conveniently allowed the Bush administration to enact three budget-busting initiatives: tax cuts for the wealthy; a prescription drug plan, prescription part D, unpaid for; and two wars, one in Iraq and Afghanistan, none of these initiatives paid for. These actions dramatically increased spending and reduced revenues, adding $6.7 trillion to the national debt, and leaving the Federal budget fundamentally unbalanced for the foreseeable future.

Combined with the Great Recession, these actions led to the fiscal year 2009 budget, which began in October of '08, with a deficit of more than $1 trillion. For the better part of the past decade budget deficits were ignored and fiscally irresponsible behavior reigned supreme. A true commitment to deficit reduction will require further action. And just as the previous surpluses were the result of prolonged fiscal responsibility, we must demonstrate a long term focus. Budgets do not go from significant deficits to surpluses overnight. Therefore, it is critical that we set specific milestones and identifiable budget reduction goals.

The President's new budget reduces deficits to 3.9 percent of the GDP, a more sustainable level. This is a reasonable beginning for the next several years. However, more will be necessary, and our goals should continue to further reduce the deficit over the long term.

President Obama's spending freeze proposal is painful, but itself it is a small, though significant action. It demonstrates a return to fiscal responsibility, and represents $250 billion in deficit reduction. Additional action, however, will have to be taken. For example, the ever-rising cost of health care not only affects every American family pocketbook, but also is a significant contributor to budget deficits. Today health care costs are 18 percent of our GDP. Without reform, that will rise to a staggering 34 percent by 2040. The House health insurance reform legislation was a first step in controlling these costs, and reduced the budget deficit by $139 billion over the next decade.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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